



Senate

General Assembly

File No. 718

January Session, 2015

Substitute Senate Bill No. 1126

Senate, April 16, 2015

The Committee on Government Administration and Elections reported through SEN. CASSANO, S. of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REVISIONS TO CAMPAIGN FINANCE LAWS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (3) of section 9-601 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (3) "Political committee" means (A) a committee organized by a
5 business entity or organization, (B) persons other than individuals, or
6 two or more individuals organized or acting jointly conducting their
7 activities in or outside the state, (C) an exploratory committee, (D) a
8 committee established by or on behalf of a slate of candidates in a
9 primary for the office of justice of the peace, but does not mean a
10 candidate committee or a party committee, (E) a legislative caucus
11 committee, [or] (F) a legislative leadership committee, or (G) an
12 independent expenditure political committee.

13 Sec. 2. (NEW) (*Effective from passage*) As used in chapters 155 and 157

14 of the general statutes, "independent expenditure political committee"
15 means a political committee that may make independent expenditures
16 and is prohibited from making any contribution, except that it may
17 make unlimited contributions to other independent expenditure
18 political committees.

19 Sec. 3. Subsection (a) of section 9-601a of the general statutes is
20 repealed and the following is substituted in lieu thereof (*Effective from*
21 *passage*):

22 (a) As used in this chapter and chapter 157, "contribution" means:

23 (1) Any gift, subscription, loan, advance, payment or deposit of
24 money or anything of value, made to promote the success or defeat of
25 any [candidate] person seeking the nomination for election, or election
26 or for the purpose of aiding or promoting the success or defeat of any
27 referendum question or the success or defeat of any political party;

28 (2) A written contract, promise or agreement to make a contribution
29 for any such purpose;

30 (3) The payment by any person, other than a candidate or treasurer,
31 of compensation for the personal services of any other person which
32 are rendered without charge to a committee or candidate for any such
33 purpose;

34 (4) An expenditure that is not an independent expenditure; or

35 (5) Funds received by a committee which are transferred from
36 another committee or other source for any such purpose.

37 Sec. 4. Subsections (a) and (b) of section 9-601b of the general
38 statutes are repealed and the following is substituted in lieu thereof
39 (*Effective from passage*):

40 (a) As used in this chapter and chapter 157, the term "expenditure"
41 means:

42 (1) Any purchase, payment, distribution, loan, advance, deposit or

43 gift of money or anything of value, when made to promote the success
44 or defeat of any [candidate] person seeking the nomination for
45 election, or election [, of any person] or for the purpose of aiding or
46 promoting the success or defeat of any referendum question or the
47 success or defeat of any political party;

48 (2) Any communication that (A) refers to one or more clearly
49 identified candidates, and (B) is broadcast by radio, television, other
50 than on a public access channel, or by satellite communication or via
51 the Internet, or as a paid-for telephone communication, or appears in a
52 newspaper, magazine or on a billboard, or is sent by mail; or

53 (3) The transfer of funds by a committee to another committee.

54 (b) The term "expenditure" does not mean:

55 (1) A loan of money, made in the ordinary course of business, by a
56 state or national bank;

57 (2) A communication made by any corporation, organization or
58 association solely to its members, owners, stockholders, executive or
59 administrative personnel, or their families;

60 (3) Nonpartisan voter registration and get-out-the-vote campaigns
61 by any corporation, organization or association aimed at its members,
62 owners, stockholders, executive or administrative personnel, or their
63 families;

64 (4) Uncompensated services provided by individuals volunteering
65 their time on behalf of a party committee, political committee, slate
66 committee or candidate committee, including any services provided
67 for the benefit of nonparticipating and participating candidates under
68 the Citizens' Election Program and any unreimbursed travel expenses
69 made by an individual who volunteers the individual's personal
70 services to any such committee. For purposes of this subdivision, an
71 individual is a volunteer if such individual is not receiving
72 compensation for such services regardless of whether such individual
73 received compensation in the past or may receive compensation for

74 similar services that may be performed in the future;

75 (5) Any news story, commentary or editorial distributed through
76 the facilities of any broadcasting station, newspaper, magazine or
77 other periodical, unless such facilities are owned or controlled by any
78 political party, committee or candidate;

79 (6) The use of real or personal property, a portion or all of the cost of
80 invitations and the cost of food or beverages, voluntarily provided by
81 an individual to a candidate, including a nonparticipating or
82 participating candidate under the Citizens' Election Program, or to a
83 party, political or slate committee, in rendering voluntary personal
84 services at the individual's residential premises or a community room
85 in the individual's residence facility, to the extent that the cumulative
86 value of the invitations, food or beverages provided by an individual
87 on behalf of any candidate or committee does not exceed four hundred
88 dollars with respect to any single event or does not exceed eight
89 hundred dollars for any such event hosted by two or more individuals,
90 provided at least one such individual owns or resides at the residential
91 premises, and further provided the cumulative value of the invitations,
92 food or beverages provided by an individual on behalf of any such
93 candidate or committee does not exceed eight hundred dollars with
94 respect to a calendar year or single election, as the case may be;

95 (7) A communication described in subdivision (2) of subsection (a)
96 of this section that includes speech or expression [made] (A) made
97 prior to the ninety-day period preceding the date of a primary or an
98 election at which the clearly identified candidate or candidates are
99 seeking nomination to public office or position, [that is] including a
100 communication made for the purpose of influencing any legislative or
101 administrative action, as defined in section 1-91, or executive action,
102 [or] (B) made during a legislative session for the purpose of
103 influencing legislative action, or (C) that constitutes a candidate debate
104 or that solely promotes any such debate and is made by or on behalf of
105 the person sponsoring the debate;

106 (8) An organization expenditure by a party committee, legislative

107 caucus committee or legislative leadership committee;

108 (9) A commercial advertisement that refers to an owner, director or
109 officer of a business entity who is also a candidate and that had
110 previously been broadcast or appeared when the owner, director or
111 officer was not a candidate;

112 (10) A communication containing an endorsement on behalf of a
113 candidate for nomination or election to the office of Governor,
114 Lieutenant Governor, Secretary of the State, State Treasurer, State
115 Comptroller, Attorney General, state senator or state representative,
116 from a candidate for the office of Governor, Lieutenant Governor,
117 Secretary of the State, State Treasurer, State Comptroller, Attorney
118 General, state senator or state representative, shall not be an
119 expenditure attributable to the endorsing candidate, if the candidate
120 making the endorsement is unopposed at the time of the
121 communication;

122 (11) A communication that is sent by mail to addresses in the district
123 for which a candidate being endorsed by another candidate pursuant
124 to the provisions of this subdivision is seeking nomination or election
125 to the office of state senator or state representative, containing an
126 endorsement on behalf of such candidate for such nomination or
127 election, from a candidate for the office of state senator or state
128 representative, shall not be an expenditure attributable to the
129 endorsing candidate, if the candidate making the endorsement is not
130 seeking election to the office of state senator or state representative for
131 a district that contains any geographical area shared by the district for
132 the office to which the endorsed candidate is seeking nomination or
133 election;

134 (12) Campaign training events provided to multiple individuals by
135 a legislative caucus committee and any associated materials, provided
136 the cumulative value of such events and materials does not exceed six
137 thousand dollars, in the aggregate, for a calendar year;

138 (13) A lawful communication by any charitable organization which

139 is a tax-exempt organization under Section 501(c)(3) of the Internal
140 Revenue Code of 1986, or any subsequent corresponding internal
141 revenue code of the United States, as from time to time amended;

142 (14) The use of offices, telephones, computers and similar
143 equipment provided by a party committee, legislative caucus
144 committee or legislative leadership committee that serve as
145 headquarters for or are used by such party committee, legislative
146 caucus committee or legislative leadership committee; or

147 (15) An expense or expenses incurred by a human being acting
148 alone in an amount that is two hundred dollars or less, in the
149 aggregate, that benefits a candidate for a single election.

150 Sec. 5. Section 9-601c of the general statutes is repealed and the
151 following is substituted in lieu thereof (*Effective from passage*):

152 (a) As used in this chapter and chapter 157, [the term] "independent
153 expenditure" means an expenditure, as defined in section 9-601b, as
154 amended by this act, that is made without the consent, coordination [,
155 or consultation of,] or consultation of a candidate or agent of [the] a
156 candidate, candidate committee, political committee or party
157 committee.

158 (b) As used in this section, "candidate" includes any person who
159 later becomes a candidate who benefits from an expenditure made by
160 a coordinated spender or other coordinated spending.

161 (c) As used in this section, "coordinated spender", with respect to
162 any candidate or candidate committee, means:

163 (1) Any person directly or indirectly formed, controlled or
164 established in the current election cycle by, at the request or suggestion
165 of, or with the encouragement of, such candidate, candidate committee
166 or any agent thereof, including with the express or tacit approval of
167 such candidate, candidate committee or any agent thereof;

168 (2) (A) Except as provided in subparagraph (B) of this subdivision,

169 any person on whose behalf during an election cycle such candidate,
170 candidate committee or any agent thereof solicits funds or engages in
171 fundraising activity, including by providing to such person the name
172 of any potential donor or other list to be used by such person in
173 engaging in fundraising activity, regardless of whether such person
174 pays fair market value for any such name or list provided;

175 (B) If any funds raised by any candidate, candidate committee or
176 agent thereof are (i) segregated from all other accounts controlled by
177 the person on whose behalf such candidate, candidate committee or
178 agent thereof solicits such funds, and (ii) are not used to make (I)
179 independent expenditures that benefit such candidate or candidate
180 committee, or (II) contributions or covered transfers to any other
181 person who later makes independent expenditures, contributions or
182 covered transfers that benefit such candidate or candidate committee,
183 such person shall not be considered a coordinated spender under this
184 subdivision;

185 (3) Any person established, directed or managed by any person
186 who, during the current election cycle (A) was employed or retained as
187 a political, media or fundraising advisor or consultant for such
188 candidate or candidate committee or any entity directly or indirectly
189 controlled by such candidate or candidate committee, or (B) held a
190 formal position with a title for such candidate or candidate committee;
191 or

192 (4) (A) Any person established, directed or managed by any
193 member of the family of such candidate or, in the case of a person that
194 is an independent expenditure political committee, that has received
195 contributions in excess of two thousand dollars, in the aggregate, from
196 one or more members of the family of such candidate in an election
197 cycle; or

198 (B) Any person or any officer or agent of such person that has had
199 more than incidental discussion regarding any campaign advertising,
200 message, strategy, policy, polling, allocation of resources, fundraising
201 or campaign operations of such candidate or candidate committee with

202 any member of the family of such candidate or, in the case of a person
203 that is an independent expenditure political committee, that has
204 received contributions in excess of two thousand dollars, in the
205 aggregate, from one or more members of the family of such candidate
206 in an election cycle.

207 (C) As used in this subdivision, "member of the family" means the
208 spouse or any child, parent, grandparent, brother, half-brother, sister
209 or half-sister of the candidate or the spouse of such child, parent,
210 grandparent, brother, half-brother, sister or half-sister.

211 (d) (1) For purposes of this section, if the person who makes an
212 expenditure is a coordinated spender with respect to a candidate or
213 candidate committee, such person shall be deemed to have made the
214 expenditure with the consent, coordination or consultation of, or at the
215 request or suggestion of, such candidate or candidate committee.

216 (2) For purposes of this section, an expenditure shall not be
217 considered to be made by a person with the consent, coordination or
218 consultation of, or at the request or suggestion of, any candidate or
219 candidate committee solely on the grounds that such person or any
220 agent of such person engaged in discussion with such candidate or
221 candidate committee or any agent thereof regarding such person's
222 position on a legislative or policy matter, including urging such
223 candidate or candidate committee to adopt such person's position,
224 provided there is no discussion between such person and such
225 candidate, candidate committee or agent thereof regarding any
226 campaign advertising, message, strategy, policy, polling, allocation of
227 resources, fundraising or campaign operations of such candidate or
228 candidate committee.

229 [(b)] (e) When the State Elections Enforcement Commission
230 evaluates an expenditure that is not described in subdivision (1) of
231 subsection (d) of this section, to determine whether such expenditure is
232 an independent expenditure, there shall be a rebuttable presumption
233 that the following expenditures are not independent expenditures:

234 (1) An expenditure made by a person in cooperation, consultation or
235 in concert with, at the request, suggestion or direction of, or pursuant
236 to a general or particular understanding with (A) a candidate,
237 candidate committee, political committee or party committee, or (B) a
238 consultant or other agent acting on behalf of a candidate, candidate
239 committee, political committee or party committee;

240 (2) An expenditure made by a person for the production,
241 dissemination, distribution or publication, in whole or in substantial
242 part, of any broadcast or any video, audio, written, graphic or other
243 form of political advertising or campaign communication prepared by
244 (A) a candidate, candidate committee, political committee or party
245 committee, or (B) a consultant or other agent acting on behalf of a
246 candidate, candidate committee, political committee or party
247 committee, and that is used in support of such candidate or committee
248 or in opposition to any candidate;

249 (3) An expenditure made by a person based on information about a
250 candidate's, political committee's, or party committee's plans, projects
251 or needs, provided by (A) a candidate, candidate committee, political
252 committee or party committee, or (B) a consultant or other agent acting
253 on behalf of a candidate, candidate committee, political committee or
254 party committee, with the intent that such expenditure be made;

255 (4) An expenditure made by an individual who, in the same election
256 cycle, is serving or has served as the campaign chairperson, treasurer
257 or deputy treasurer of a candidate committee, political committee or
258 party committee benefiting from such expenditure, or in any other
259 executive or policymaking position, including as a member, employee,
260 fundraiser, consultant or other agent, of a candidate, candidate
261 committee, political committee or party committee;

262 (5) An expenditure made by a person or an entity on or after
263 January first in the year of an election in which a candidate is seeking
264 public office that benefits such candidate when such person or entity
265 has hired an individual as an employee or consultant and such
266 individual was an employee of or consultant to [such candidate's

267 candidate committee or such candidate's opponent's candidate
268 committee during any part of the eighteen-month period preceding
269 such expenditure] such candidate or the candidate committee of such
270 candidate or the candidate committee of such candidate's opponent
271 during the current election cycle;

272 (6) An expenditure made by a person for fundraising activities (A)
273 with or for a candidate, candidate committee, political committee or
274 party committee, or a consultant or other agent acting on behalf of a
275 candidate, candidate committee, political committee or party
276 committee, or (B) for the solicitation or receipt of contributions on
277 behalf of a candidate, candidate committee, political committee or
278 party committee, or a consultant or other agent acting on behalf of a
279 candidate, candidate committee, political committee or party
280 committee;

281 (7) An expenditure made by a person based on information about a
282 candidate's campaign plans, projects or needs, that is directly or
283 indirectly provided by a candidate, the candidate's candidate
284 committee, a political committee or a party committee, or a consultant
285 or other agent acting on behalf of such candidate, candidate
286 committee, political committee or party committee, to the person
287 making the expenditure or such person's agent, with an express or tacit
288 understanding that such person is considering making the
289 expenditure;

290 (8) An expenditure made by a person for a communication that
291 clearly identifies a candidate during an election campaign, if the
292 person making the expenditure, or such person's agent, has informed
293 the candidate who benefits from the expenditure, that candidate's
294 candidate committee, a political committee or a party committee, or a
295 consultant or other agent acting on behalf of the benefiting candidate
296 or candidate committee, political committee, or party committee,
297 concerning the communication's contents, or of the intended audience,
298 timing, location or mode or frequency of dissemination. As used in this
299 subdivision, a communication clearly identifies a candidate when that

300 communication contains the name, nickname, initials, photograph or
301 drawing of the candidate or an unambiguous reference to that
302 candidate, which includes, but is not limited to, a reference that can
303 only mean that candidate; and

304 (9) An expenditure made by a person or an entity for consultant or
305 creative services, including, but not limited to, services related to
306 communications strategy or design or campaign strategy or to engage
307 a campaign-related vendor, to be used to promote or oppose a
308 candidate's election to office if the provider of such services is
309 providing or has provided consultant or creative services to such
310 candidate, such candidate's candidate committee or an agent of such
311 candidate committee, or to any opposing candidate's candidate
312 committee or an agent of such candidate committee after January first
313 of the year in which the expenditure occurs. For purposes of this
314 subdivision, communications strategy or design does not include the
315 costs of printing or costs for the use of a medium for the purpose of
316 communications. For purposes of this subdivision, campaign-related
317 vendor includes, but is not limited to, a vendor that provides the
318 following services: Polling, mail design, mail strategy, political
319 strategy, general campaign advice or telephone banking.

320 [(c) When the State Elections Enforcement Commission evaluates an
321 expenditure to determine whether an expenditure by entity is an
322 independent expenditure, the following shall not be presumed to
323 constitute evidence of consent, coordination or consultation within the
324 meaning of subsection (a) of this section: (1) Participation by a
325 candidate or an agent of the candidate in an event sponsored by the
326 entity, unless such event promotes the success of the candidate's
327 candidacy or the defeat of the candidate's opponent, or unless the
328 event is during the period that is forty-five days prior to the primary
329 for which the candidate is seeking nomination for election or election
330 to office; (2) membership of the candidate or agent of the candidate in
331 the entity, unless the candidate or agent of the candidate holds an
332 executive or policymaking position within the entity after the
333 candidate becomes a candidate; or (3) financial support for, or

334 solicitation or fundraising on behalf of the entity by a candidate or an
335 agent of the candidate, unless the entity has made or obligated to make
336 independent expenditures in support of such candidate in the election
337 or primary for which the candidate is a candidate.]

338 [(d)] (f) When the State Elections Enforcement Commission
339 evaluates an expenditure to determine whether such expenditure is an
340 independent expenditure, the commission shall consider, as an
341 effective rebuttal to the presumptions provided in subsection [(b)] (e)
342 of this section, the establishment by the person making the
343 expenditure of a firewall policy designed and implemented to prohibit
344 the flow of information between (1) employees, consultants or other
345 individuals providing services to the person paying for the
346 expenditure, and (2) the candidate or agents of the candidate.

347 Sec. 6. Section 9-601d of the general statutes is repealed and the
348 following is substituted in lieu thereof (*Effective from passage*):

349 (a) Any person, as defined in section 9-601, as amended by this act,
350 may, unless otherwise restricted or prohibited by law, including, but
351 not limited to, any provision of this chapter or chapter 157, make
352 unlimited independent expenditures, as defined in section 9-601c, as
353 amended by this act, and accept unlimited covered transfers, as
354 defined in [said] section 9-601, as amended by this act. Except as
355 provided pursuant to this section, any such person who makes or
356 obligates to make an independent expenditure or expenditures in
357 excess of one thousand dollars, in the aggregate, shall file statements
358 according to the same schedule and in the same manner as is required
359 of a treasurer of a [candidate] political committee pursuant to section
360 9-608, as amended by this act. Such statements shall be filed on the
361 forms described in subsections (c) and (d) of this section.

362 (b) Any person who makes or obligates to make an independent
363 expenditure or expenditures in an election or primary for the office of
364 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
365 State Comptroller, Attorney General, state senator or state
366 representative, which exceed one thousand dollars, in the aggregate,

367 during [a primary campaign or a general election campaign, as defined
368 in section 9-700,] the period beginning July first in the year of a regular
369 election and ending the day following the primary or election for
370 which any such independent expenditure is made or incurred shall
371 file, electronically, a long-form and a short-form report of such
372 independent expenditure or expenditures with the State Elections
373 Enforcement Commission pursuant to subsections (c) and (d) of this
374 section. The person that makes or obligates to make such independent
375 expenditure or expenditures shall file such reports not later than
376 twenty-four hours after (1) making any such payment, or (2) obligating
377 to make any such payment, with respect to the primary or election. If
378 any such person makes or incurs a subsequent independent
379 expenditure, such person shall report such expenditure pursuant to
380 subsection (d) of this section. Such reports shall be filed under penalty
381 of false statement.

382 (c) The independent expenditure long-form report shall identify: (1)
383 The name of the person making or obligating to make such
384 expenditure or expenditures; (2) the tax exempt status, Federal
385 Employee Identification Number and Federal Election Commission
386 Identification Number of such person, if applicable; (3) the mailing
387 street address of such person; (4) the principal business address of the
388 person, if different from the mailing street address; (5) the address,
389 telephone number and electronic mail address of the agent for service
390 of process in this state of such person; (6) the date of the primary, [or]
391 election or referendum for which the independent expenditure or
392 expenditures were made or obligated to be made; (7) the name of any
393 candidate who, or the text of any referendum question that, was the
394 subject of any independent expenditure, [or expenditures and whether
395 the independent expenditure or expenditures were] whether such
396 independent expenditure was in support of or in opposition to such
397 candidate or referendum question and all other information required
398 under subsection (d) of this section for such expenditure; and (8) the
399 name, telephone number and electronic mail address for the individual
400 filing such report. Such individual filing such report shall affirm that
401 the expenditure reported is an independent expenditure under penalty

402 of false statement.

403 (d) As part of any filing made pursuant to subsection (c) of this
404 section and for each subsequent independent expenditure made or
405 obligated to be made by a person with respect to the primary or
406 election for which a long-form report pursuant to subsection (c) of this
407 section has been filed on behalf of such person, an individual shall file
408 [, electronically,] a short-form report for each such independent
409 expenditure. [, not later than twenty-four hours after such person
410 makes a payment for an independent expenditure or obligates to make
411 such an independent expenditure.] Such short-form report shall
412 identify: (1) The name of the person making or obligating to make such
413 independent expenditure; (2) the amount of the independent
414 expenditure; (3) whether the independent expenditure was in support
415 of or in opposition to a candidate or referendum question and the
416 name of such candidate or text of such referendum question; (4) a brief
417 description of the expenditure made, including the type of
418 communication, based on categories determined by the State Elections
419 Enforcement Commission, and the allocation of such expenditure in
420 support of or in opposition to each candidate, if such expenditure was
421 made in support of or in opposition to more than one candidate; [and]
422 (5) the name, telephone number and electronic mail address for the
423 individual filing such report; and (6) any other information that the
424 State Elections Enforcement Commission may require to facilitate
425 compliance with the provisions of this chapter or chapter 157. Such
426 individual filing such report shall affirm that the expenditure reported
427 is an independent expenditure under penalty of false statement.

428 (e) No person reporting an independent expenditure pursuant to
429 the provisions of subsection (c) or (d) of this section shall be required
430 to file a statement pursuant to section 9-608, as amended by this act,
431 for such independent expenditure.

432 (f) (1) Except as provided in subdivision (2) of this subsection, as
433 part of any statement filed pursuant to this section, if a person who
434 makes or obligates to make an independent expenditure (A) has

435 received a covered transfer during the twelve-month period prior to a
436 primary or election, as applicable to the reported expenditure, [for an
437 office that a candidate described in subdivision (7) of subsection (c) of
438 this section is seeking,] and (B) such independent expenditure is made
439 or obligated to be made on or after the date that is one hundred eighty
440 days prior to such primary or election, such person shall disclose the
441 source and the amount of any such covered transfer such person
442 received that is in an amount that is five thousand dollars or more, in
443 the aggregate, during the twelve-month period prior to such primary
444 or election, as applicable to the reported expenditure.

445 (2) The provisions of subdivision (1) of this subsection shall not
446 apply to any person who discloses the source and amount of a covered
447 transfer described in subdivision (1) of this subsection as part of any
448 report to the Federal Election Commission or the Internal Revenue
449 Service, provided such person includes a copy of or information
450 sufficient to find, any such report as part of the report of each
451 applicable independent expenditure pursuant to this section. If a
452 source and amount of a covered transfer is not included as part of any
453 such report, the maker of the expenditure shall disclose the source and
454 amount of such covered transfer pursuant to subdivision (1) of this
455 subsection, if applicable.

456 (g) (1) A person may, unless otherwise restricted or prohibited by
457 law, including, but not limited to, any provision of this chapter or
458 chapter 157, establish a dedicated independent expenditure account,
459 for the purpose of engaging in independent expenditures, that is
460 segregated from all other accounts controlled by such person. Such
461 dedicated independent expenditure account may receive covered
462 transfers directly from persons other than the person establishing the
463 dedicated account and may not receive transfers from another account
464 controlled by the person establishing the dedicated account, except as
465 provided in subdivision (2) of this subsection. If an independent
466 expenditure is made from such segregated account, any report
467 required pursuant to this section or disclaimer required pursuant to
468 section 9-621, as amended by this act, may include only those persons

469 who made covered transfers directly to the dedicated independent
470 expenditure account.

471 (2) If a person who has made a covered transfer to another account
472 controlled by the person establishing a dedicated independent
473 expenditure account requests that such covered transfer be used for
474 the purposes of making an independent expenditure from the
475 dedicated independent expenditure account, the amount of such
476 covered transfer may be transferred to the dedicated independent
477 expenditure account and shall be treated as a covered transfer directly
478 to the dedicated independent expenditure account.

479 (h) Any person may file a complaint with the commission upon the
480 belief that (1) any such independent expenditure report or statement is
481 false, or (2) any person who is required to file an independent
482 expenditure report under this subsection has failed to do so. The
483 commission shall make a prompt determination on such a complaint.

484 (i) (1) If a person fails to file a report in accordance with the
485 provisions of this section for an independent expenditure or
486 expenditures made or obligated to be made more than ninety days
487 before the day of a primary or election, the person shall be subject to a
488 civil penalty, imposed by the State Elections Enforcement Commission,
489 of not more than ten thousand dollars. If a person fails to file a report
490 required in accordance with the provisions of this section for an
491 independent expenditure or expenditures made or obligated to be
492 made ninety days or less before the day of a primary or election, such
493 person shall be subject to a civil penalty, imposed by the State
494 Elections Enforcement Commission, of not more than twenty thousand
495 dollars or twice the amount of any unreported expenditure, whichever
496 is greater.

497 (2) If any such failure is knowing and wilful, the person responsible
498 for the failure shall also be fined not more than fifty thousand dollars
499 or ten times the amount of any unreported expenditure, whichever is
500 greater, and the commission may refer the matter to the office of the
501 Chief State's Attorney.

502 Sec. 7. Subsections (a) and (b) of section 9-603 of the general statutes
503 are repealed and the following is substituted in lieu thereof (*Effective*
504 *from passage*):

505 (a) Statements filed by party committees, political committees
506 formed to aid or promote the success or defeat of a referendum
507 question proposing a constitutional convention, constitutional
508 amendment or revision of the Constitution, individual lobbyists, [and]
509 those political committees and candidate committees formed to aid or
510 promote the success or defeat of any candidate for the office of
511 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
512 State Comptroller, Attorney General, judge of probate and members of
513 the General Assembly, and those persons making independent
514 expenditures in excess of one thousand dollars, in the aggregate, for
515 any such candidates or referendum questions pursuant to section 9-
516 601d, as amended by this act, shall be filed with the State Elections
517 Enforcement Commission. A political committee formed for a slate of
518 candidates in a primary for the office of justice of the peace shall file
519 statements with the town clerk of the municipality in which the
520 primary is to be held.

521 (b) Statements filed by political committees formed solely to aid or
522 promote the success or defeat of a referendum question to be voted
523 upon by the electors of a single municipality, [and] those political
524 committees or candidate committees formed to aid or promote the
525 success or defeat of any candidate for public office, other than those
526 enumerated in subsection (a) of this section, or the position of town
527 committee member, and those persons making any independent
528 expenditure or expenditures in excess of one thousand dollars, in the
529 aggregate, for any such candidates or referendum questions pursuant
530 to section 9-601d, as amended by this act, shall be filed only with the
531 town clerk of the municipality in which the election or referendum is
532 to be held. Each unsalaried town clerk shall be entitled to receive ten
533 cents from the town for the filing of each such statement.

534 Sec. 8. Subsections (b) to (d), inclusive, of section 9-605 of the

535 general statutes are repealed and the following is substituted in lieu
536 thereof (*Effective from passage*):

537 (b) The registration statement shall include: (1) The name and
538 address of the committee; (2) a statement of the purpose of the
539 committee; (3) the name and address of its treasurer, and deputy
540 treasurer if applicable; (4) the name, address and position of its
541 chairman, and other principal officers if applicable; (5) the name and
542 address of the depository institution for its funds; (6) the name of each
543 person, other than an individual, that is a member of the committee;
544 (7) the name and party affiliation of each candidate whom the
545 committee is supporting and the office or position sought by each
546 candidate; (8) if the committee is supporting the entire ticket of any
547 party, a statement to that effect and the name of the party; (9) if the
548 committee is supporting or opposing any referendum question, a brief
549 statement identifying the substance of the question; (10) if the
550 committee is established by a business entity or organization or by an
551 individual acting as the agent of another person, the name of the
552 [entity or organization] entity, organization or other person; (11) if the
553 committee is established by an organization, whether it will receive its
554 funds from the organization's treasury or from voluntary
555 contributions; (12) if the committee or the person establishing the
556 committee through an individual agent files reports with the Federal
557 Elections Commission or any out-of-state agency, a statement to that
558 effect including the name of the agency; (13) a statement indicating
559 whether the committee is established for a single primary, election or
560 referendum or for ongoing political activities; (14) if the committee is
561 established or controlled by a lobbyist, a statement to that effect and
562 the name of the lobbyist; (15) the name and address of the person
563 making the initial contribution or disbursement, if any, to the
564 committee; and (16) any information that the State Elections
565 Enforcement Commission requires to facilitate compliance with the
566 provisions of this chapter or chapter 157. If no such initial contribution
567 or disbursement has been made at the time of the filing of such
568 statement, the treasurer of the committee shall, not later than forty-
569 eight hours after receipt of such contribution or disbursement, file a

570 report with the State Elections Enforcement Commission. The report
571 shall be in the same form as statements filed under section 9-608, as
572 amended by this act.

573 (c) The treasurer of each political committee shall report any
574 addition to or change in information previously submitted in a
575 statement of organization to the proper authority not later than ten
576 days after the addition or change, provided if an officer of the
577 committee has changed, such amended statement shall be filed by the
578 chairperson of the committee.

579 (d) A group of two or more individuals who have joined solely to
580 promote the success or defeat of a referendum question or to form an
581 independent expenditure political committee shall not be required to
582 file as a political committee, make such designations in accordance
583 with subsections (a) and (b) of this section or file statements pursuant
584 to section 9-608, as amended by this act, if the group does not receive
585 [or expend] any contribution or contributions or make or incur any
586 expenditure or expenditures in excess of one thousand dollars, in the
587 aggregate, for the entire campaign. If the group receives [funds]
588 contributions or makes or incurs expenditures exceeding one thousand
589 dollars, in the aggregate, the group shall complete the statement of
590 organization and file as a political committee not later than (1) three
591 business days thereafter for a group formed solely to promote the
592 success or defeat of a referendum question, or (2) ten business days
593 thereafter for a group that formed an independent expenditure
594 political committee. The group shall provide the designated treasurer
595 with all information required for completion of the statements for
596 filing as required by section 9-608, as amended by this act.

597 Sec. 9. Subdivision (1) of subsection (g) of section 9-607 of the
598 general statutes is repealed and the following is substituted in lieu
599 thereof (*Effective from passage*):

600 (g) (1) As used in this subsection, (A) "the lawful purposes of the
601 committee" means: (i) For a candidate committee or exploratory
602 committee, the promoting of the nomination or election of the

603 candidate who established the committee, except that after a political
604 party nominates candidates for election to the offices of Governor and
605 Lieutenant Governor, whose names shall be so placed on the ballot in
606 the election that an elector will cast a single vote for both candidates,
607 as prescribed in section 9-181, a candidate committee established by
608 either such candidate may also promote the election of the other such
609 candidate; (ii) for a political committee other than an independent
610 expenditure political committee, the promoting of a political party,
611 including party building activities, the success or defeat of candidates
612 for nomination and election to public office or position subject to the
613 requirements of this chapter, or the success or defeat of referendum
614 questions, provided a political committee formed for a single
615 referendum question shall not promote the success or defeat of any
616 candidate, and provided further a legislative leadership committee or a
617 legislative caucus committee may expend funds to defray costs for
618 conducting legislative or constituency-related business which are not
619 reimbursed or paid by the state; [and] (iii) for a party committee, the
620 promoting of the party, party building activities, the candidates of the
621 party and continuing operating costs of the party; and (iv) for an
622 independent expenditure political committee, the promoting of a
623 political party, the success or defeat of any candidate for nomination or
624 election to public office or position subject to the requirements of this
625 chapter, or the success or defeat of any referendum question, provided
626 an independent expenditure political committee shall act entirely
627 independently of any candidate or agent thereof, candidate committee,
628 political committee or party committee, and (B) "immediate family"
629 means a spouse or dependent child of a candidate who resides in the
630 candidate's household.

631 Sec. 10. Subdivision (1) of subsection (c) of section 9-608 of the
632 general statutes is repealed and the following is substituted in lieu
633 thereof (*Effective from passage*):

634 (c) (1) Each statement filed under subsection (a), (e) or (f) of this
635 section shall include, but not be limited to: (A) An itemized accounting
636 of each contribution, if any, including the full name and complete

637 address of each contributor and the amount of the contribution and,
638 for an independent expenditure political committee, if any contributor
639 is a recipient of a covered transfer or transfers amounting to twenty-
640 five thousand dollars or more, in the aggregate, the name of any
641 person or persons who made the covered transfer or transfers to such
642 recipient during the twelve-month period prior to the primary or
643 election, as applicable; (B) an itemized accounting of each expenditure,
644 if any, including the full name and complete address of each payee,
645 including secondary payees whenever the primary or principal payee
646 is known to include charges which the primary payee has already paid
647 or will pay directly to another person, vendor or entity, the amount
648 and the purpose of the expenditure, the candidate supported or
649 opposed by the expenditure, whether the expenditure is made
650 independently of the candidate supported or is an in-kind contribution
651 to the candidate, and a statement of the balance on hand or deficit, as
652 the case may be; (C) an itemized accounting of each expense incurred
653 but not paid, provided if the expense is incurred by use of a credit
654 card, the accounting shall include secondary payees, and the amount
655 owed to each such payee; (D) the name and address of any person who
656 is the guarantor of a loan to, or the cosigner of a note with, the
657 candidate on whose behalf the committee was formed, or the treasurer
658 in the case of a party committee or a political committee or who has
659 advanced a security deposit to a telephone company, as defined in
660 section 16-1, for telecommunications service for a committee; (E) for
661 each business entity or person purchasing advertising space in a
662 program for a fund-raising affair or on signs at a fund-raising affair,
663 the name and address of the business entity or the name and address
664 of the person, and the amount and aggregate amounts of such
665 purchases; (F) for each individual who contributes in excess of one
666 hundred dollars but not more than one thousand dollars, in the
667 aggregate, to the extent known, the principal occupation of such
668 individual and the name of the individual's employer, if any; (G) for
669 each individual who contributes in excess of one thousand dollars in
670 the aggregate, the principal occupation of such individual and the
671 name of the individual's employer, if any; (H) for each itemized

672 contribution made by a lobbyist, the spouse of a lobbyist or any
673 dependent child of a lobbyist who resides in the lobbyist's household,
674 a statement to that effect; and (I) for each individual who contributes in
675 excess of four hundred dollars in the aggregate to or for the benefit of
676 any candidate's campaign for nomination at a primary or election to
677 the office of chief executive officer or a slate or town committee
678 financing the nomination or election or a candidate for chief executive
679 officer of a town, city or borough, a statement indicating whether the
680 individual or a business with which he is associated has a contract
681 with said municipality that is valued at more than five thousand
682 dollars. Each treasurer shall include in such statement (i) an itemized
683 accounting of the receipts and expenditures relative to any testimonial
684 affair held under the provisions of section 9-609 or any other fund-
685 raising affair, which is referred to in subsection (b) of section 9-601a,
686 and (ii) the date, location and a description of the affair, except that a
687 treasurer shall not be required to include the name of any individual
688 who has purchased items at a fund-raising affair or food at a town fair,
689 county fair or similar mass gathering, if the cumulative value of items
690 purchased by such individual does not exceed one hundred dollars, or
691 the name of any individual who has donated food or beverages for a
692 meeting. A treasurer shall not be required to report or retain any
693 receipts or expenditures related to any de minimis donations described
694 in subdivision (17) of subsection (b) of section 9-601a.

695 Sec. 11. Section 9-611 of the general statutes is repealed and the
696 following is substituted in lieu thereof (*Effective from passage*):

697 (a) No individual shall make a contribution or contributions to, for
698 the benefit of, or pursuant to the authorization or request of, a
699 candidate or a committee supporting or opposing any candidate's
700 campaign for nomination at a primary, or any candidate's campaign
701 for election, to the office of (1) Governor, in excess of three thousand
702 five hundred dollars; (2) Lieutenant Governor, Secretary of the State,
703 Treasurer, Comptroller or Attorney General, in excess of two thousand
704 dollars; (3) chief executive officer of a town, city or borough, in excess
705 of one thousand dollars; (4) state senator or probate judge, in excess of

706 one thousand dollars; or (5) state representative or any other office of a
707 municipality not previously included in this subsection, in excess of
708 two hundred fifty dollars. The limits imposed by this subsection shall
709 be applied separately to primaries and elections.

710 (b) (1) No individual shall make a contribution or contributions to,
711 or for the benefit of, an exploratory committee, in excess of three
712 hundred seventy-five dollars, if the candidate establishing the
713 exploratory committee certifies on the statement of organization for
714 the exploratory committee pursuant to subsection (c) of section 9-604
715 that the candidate will not be a candidate for the office of state
716 representative. No individual shall make a contribution or
717 contributions to, or for the benefit of, any exploratory committee, in
718 excess of two hundred fifty dollars, if the candidate establishing the
719 exploratory committee does not so certify.

720 (2) No individual shall make a contribution or contributions to, or
721 for the benefit of, a political committee formed by a slate of candidates
722 in a primary for the office of justice of the peace, in excess of two
723 hundred fifty dollars.

724 [(c) No individual shall make contributions to such candidates or
725 committees which in the aggregate exceed thirty thousand dollars for
726 any single election and primary preliminary to such election.]

727 [(d)] (c) No individual shall make a contribution to any candidate or
728 committee, other than a contribution in kind, in excess of one hundred
729 dollars except by personal check or credit card of that individual.

730 [(e)] (d) No individual who is less than eighteen years of age shall
731 make a contribution or contributions, in excess of thirty dollars to, for
732 the benefit of, or pursuant to the authorization or request of: (1) A
733 candidate or a committee supporting or opposing any candidate's
734 campaign for nomination at a primary to any office; (2) a candidate or
735 a committee supporting or opposing any candidate's campaign for
736 election to any office; (3) an exploratory committee; (4) any other
737 political committee in any calendar year; or (5) a party committee in

738 any calendar year. Notwithstanding any provision of subdivision (2) of
739 section 9-7b, any individual who is less than eighteen years of age who
740 violates any provision of this subsection shall not be subject to the
741 provisions of subdivision (2) of section 9-7b.

742 Sec. 12. Subsection (a) of section 9-612 of the general statutes is
743 repealed and the following is substituted in lieu thereof (*Effective from*
744 *passage*):

745 (a) No individual shall make a contribution or contributions in any
746 one calendar year in excess of ten thousand dollars to the state central
747 committee of any party, or for the benefit of such committee pursuant
748 to its authorization or request; or two thousand dollars to a town
749 committee of any political party, or for the benefit of such committee
750 pursuant to its authorization or request; or two thousand dollars to a
751 legislative caucus committee or legislative leadership committee, or
752 one thousand dollars to any other political committee other than (1) a
753 political committee formed solely to aid or promote the success or
754 defeat of a referendum question, (2) an exploratory committee, (3) a
755 political committee established by an organization, or for the benefit of
756 such committee pursuant to its authorization or request, [or] (4) a
757 political committee formed by a slate of candidates in a primary for the
758 office of justice of the peace of the same town, or (5) an independent
759 expenditure political committee.

760 Sec. 13. Section 9-613 of the general statutes is repealed and the
761 following is substituted in lieu thereof (*Effective from passage*):

762 (a) No business entity shall make any contributions or expenditures
763 to, or for the benefit of, any candidate's campaign for election to any
764 public office or position subject to this chapter or for nomination at a
765 primary for any such office or position, or to promote the defeat of any
766 candidate for any such office or position. No business entity shall
767 make any other contributions, [or expenditures] including coordinated
768 expenditures, as described in section 9-601c, as amended by this act, to
769 promote the success or defeat of any political party, except as provided
770 in subsection (b) of this section. No business entity shall establish more

771 than one political committee. A political committee shall be deemed to
772 have been established by a business entity if the initial disbursement or
773 contribution to the committee is made under subsection (b) of this
774 section or by an officer, director, owner, limited or general partner or
775 holder of stock constituting five per cent or more of the total
776 outstanding stock of any class of the business entity.

777 (b) A business entity may make reasonable and necessary transfers
778 or disbursements to or for the benefit of a political committee
779 established by such business entity, for the administration of, or
780 solicitation of contributions to, such political committee. Nonmonetary
781 contributions by a business entity which are incidental in nature and
782 are directly attributable to the administration of such political
783 committee shall be exempt from the reporting requirements of this
784 chapter.

785 (c) The provisions of this section shall not preclude a business entity
786 from making contributions or expenditures to promote the success or
787 defeat of a referendum question.

788 (d) [A] Except as provided in subsection (f) of this section, a political
789 committee organized by a business entity shall not make a
790 contribution or contributions to, or for the benefit of, any candidate's
791 campaign for nomination at a primary or any candidate's campaign for
792 election to the office of: (1) Governor, in excess of five thousand
793 dollars; (2) Lieutenant Governor, Secretary of the State, Treasurer,
794 Comptroller or Attorney General, in excess of three thousand dollars;
795 (3) state senator, probate judge or chief executive officer of a town, city
796 or borough, in excess of one thousand five hundred dollars; (4) state
797 representative, in excess of seven hundred fifty dollars; or (5) any other
798 office of a municipality not included in subdivision (3) of this
799 subsection, in excess of three hundred seventy-five dollars. The limits
800 imposed by this subsection shall apply separately to primaries and
801 elections and contributions by any such committee to candidates
802 designated in this subsection shall not exceed one hundred thousand
803 dollars in the aggregate for any single election and primary

804 preliminary thereto. Contributions to such committees shall also be
805 subject to the provisions of section 9-618, as amended by this act, in the
806 case of committees formed for ongoing political activity or section 9-
807 619, as amended by this act, in the case of committees formed for a
808 single election or primary.

809 (e) [No] Except as provided in subsection (f) of this section, no
810 political committee organized by a business entity shall make a
811 contribution or contributions to (1) a state central committee of a
812 political party, in excess of seven thousand five hundred dollars in any
813 calendar year, (2) a town committee of any political party, in excess of
814 one thousand five hundred dollars in any calendar year, (3) an
815 exploratory committee in excess of three hundred seventy-five dollars,
816 or (4) any other kind of political committee, in excess of two thousand
817 dollars in any calendar year.

818 (f) No independent expenditure political committee organized by a
819 business entity may make any contribution, unless the recipient of
820 such contribution is another independent expenditure political
821 committee.

822 [(f)] (g) As used in this subsection, "investment services" means
823 investment legal services, investment banking services, investment
824 advisory services, underwriting services, financial advisory services or
825 brokerage firm services. No political committee established by a firm
826 which provides investment services and to which the State Treasurer
827 pays compensation, expenses or fees or issues a contract shall make a
828 contribution to, or solicit contributions on behalf of, an exploratory
829 committee or candidate committee established by a candidate for
830 nomination or election to the office of State Treasurer during the term
831 of office of the State Treasurer who does business with such firm.

832 [(g)] (h) Notwithstanding the provisions of this section, a
833 corporation, cooperative association, limited partnership, professional
834 association, limited liability company or limited liability partnership,
835 whether formed in this state or any other, [acting alone,] may make
836 independent expenditures or contributions to independent

837 expenditure political committees.

838 Sec. 14. Section 9-614 of the general statutes is repealed and the
839 following is substituted in lieu thereof (*Effective from passage*):

840 (a) An organization may make contributions, [or] including
841 coordinated expenditures, other than those made to promote the
842 success or defeat of a referendum question, only by first forming its
843 own political committee. The political committee shall then be
844 authorized to receive funds exclusively from the organization's
845 treasury or from voluntary contributions made by its members, but not
846 both, from another political committee or, from a candidate committee
847 distributing a surplus and (1) to make contributions or expenditures to,
848 or for the benefit of, a candidate's campaign or a political party, or (2)
849 to make contributions to another political committee. No organization
850 shall form more than one political committee. A political committee
851 shall be deemed to have been established by an organization if the
852 initial contribution to the committee is made by the organization's
853 treasury or an officer or director of the organization.

854 (b) A political committee established by an organization may elect
855 to alter the manner in which it is funded if it complies with the
856 requirements of this subsection. The committee chairperson shall
857 notify the repository with which the committee's most recent statement
858 of organization is filed, in writing, of the committee's intent to alter its
859 manner of funding. Within fifteen days after the date of receipt of such
860 notification, the treasurer of such political committee shall return any
861 funds remaining in the account of the committee to the organization's
862 treasury after payment of each outstanding liability. Within seven days
863 after the distribution and payments have been made, the treasurer
864 shall file a statement with the same repository itemizing each such
865 distribution and payment. Upon such filing, the treasurer may receive
866 voluntary contributions from any member of the organization which
867 established such committee subject to the limitations imposed in
868 subsection (b) of section 9-612.

869 (c) The chairperson of each political committee established by an

870 organization on or after July 1, 1985, shall designate the manner in
871 which the committee shall be funded in the committee's statement of
872 organization.

873 (d) Notwithstanding the provisions of this section, an organization
874 [, acting alone,] may make independent expenditures and
875 contributions to independent expenditure political committees.

876 Sec. 15. Section 9-615 of the general statutes is repealed and the
877 following is substituted in lieu thereof (*Effective from passage*):

878 (a) No political committee established by an organization shall
879 make a contribution or contributions to, or for the benefit of, any
880 candidate's campaign for nomination at a primary or for election to the
881 office of: (1) Governor, in excess of five thousand dollars; (2)
882 Lieutenant Governor, Secretary of the State, Treasurer, Comptroller or
883 Attorney General, in excess of three thousand dollars; (3) chief
884 executive officer of a town, city or borough, in excess of one thousand
885 five hundred dollars; (4) state senator or probate judge, in excess of
886 one thousand five hundred dollars; (5) state representative, in excess of
887 seven hundred fifty dollars; or (6) any other office of a municipality
888 not previously included in this subsection, in excess of three hundred
889 seventy-five dollars.

890 (b) No such committee shall make a contribution or contributions to,
891 or for the benefit of, an exploratory committee, in excess of three
892 hundred seventy-five dollars. Any such committee may make
893 unlimited contributions to a political committee formed solely to aid or
894 promote the success or defeat of a referendum question.

895 (c) The limits imposed by subsection (a) of this section shall apply
896 separately to primaries and elections and no such committee shall
897 make contributions to the candidates designated in this section which
898 in the aggregate exceed fifty thousand dollars for any single election
899 and primary preliminary thereto.

900 (d) [No] Except as provided in subsection (f) of this section, no

901 political committee established by an organization shall make
902 contributions in any one calendar year to, or for the benefit of, (1) the
903 state central committee of a political party, in excess of seven thousand
904 five hundred dollars; (2) a town committee, in excess of one thousand
905 five hundred dollars; or (3) any political committee, other than an
906 exploratory committee or a committee formed solely to aid or promote
907 the success or defeat of a referendum question, in excess of two
908 thousand dollars.

909 (e) Contributions to a political committee established by an
910 organization for the purpose of making contributions, including
911 coordinated expenditures, shall be subject to the provisions of section
912 9-618, as amended by this act, in the case of a committee formed for
913 ongoing political activity or section 9-619, as amended by this act, in
914 the case of a committee formed for a single election or primary.

915 (f) No independent expenditure political committee established by
916 an organization may make any contribution, unless the recipient of
917 such contribution is another independent expenditure political
918 committee.

919 Sec. 16. Subsections (b) and (c) of section 9-617 of the general
920 statutes are repealed and the following is substituted in lieu thereof
921 (*Effective from passage*):

922 (b) (1) No state central committee shall make a contribution or
923 contributions to, for the benefit of, or pursuant to the authorization or
924 request of, a candidate or a committee supporting or opposing any
925 candidate's campaign for nomination at a primary, or any candidate's
926 campaign for election, to the office of: (A) Governor, in excess of fifty
927 thousand dollars; (B) Lieutenant Governor, Secretary of the State,
928 Treasurer, Comptroller or Attorney General, in excess of thirty-five
929 thousand dollars; (C) state senator, probate judge or chief executive
930 officer of a town, city or borough, in excess of ten thousand dollars; (D)
931 state representative, in excess of five thousand dollars; or (E) any other
932 office of a municipality not previously included in this subsection, in
933 excess of five thousand dollars. The limits imposed by this subdivision

934 shall apply separately to primaries and elections.

935 (2) No state central committee shall make a contribution or
936 contributions in any one calendar year to, or for the benefit of (A) a
937 legislative caucus committee or legislative leadership committee, in
938 excess of ten thousand dollars, or (B) any other political committee,
939 other than an exploratory committee or a committee formed solely to
940 aid or promote the success or defeat of a referendum question or an
941 independent expenditure committee, in excess of two thousand five
942 hundred dollars. No state central committee shall make contributions
943 in excess of three hundred seventy-five dollars to an exploratory
944 committee.

945 (c) (1) No town committee shall make a contribution or
946 contributions to, for the benefit of, or pursuant to the authorization or
947 request of, a candidate or a committee supporting or opposing any
948 candidate's campaign for nomination at a primary, or any candidate's
949 campaign for election, to the office of: (A) Governor, in excess of seven
950 thousand five hundred dollars; (B) Lieutenant Governor, Secretary of
951 the State, Treasurer, Comptroller or Attorney General, in excess of five
952 thousand dollars; (C) state senator, in excess of five thousand dollars;
953 (D) state representative, probate judge or chief executive officer of a
954 town, city or borough, in excess of three thousand dollars; or (E) any
955 other office of a municipality not previously included in this
956 subsection, in excess of one thousand five hundred dollars. The limits
957 imposed by this subdivision shall apply separately to primaries and
958 elections.

959 (2) No town committee shall make a contribution or contributions in
960 any one calendar year to, or for the benefit of (A) a legislative caucus
961 committee or legislative leadership committee, in excess of two
962 thousand dollars, or (B) any other political committee, other than an
963 exploratory committee or a committee formed solely to aid or promote
964 the success or defeat of a referendum question or an independent
965 expenditure committee, in excess of one thousand five hundred
966 dollars. No town committee shall make contributions in excess of three

967 hundred seventy-five dollars to an exploratory committee.

968 Sec. 17. Subsection (a) of section 9-618 of the general statutes is
969 repealed and the following is substituted in lieu thereof (*Effective from*
970 *passage*):

971 (a) A political committee organized for ongoing political activities
972 may make unlimited contributions to, or for the benefit of, any
973 national committee of a political party; or a committee of a candidate
974 for federal or out-of-state office. Except as provided in subdivision (3)
975 of subsection (d) of this section, no such political committee shall make
976 a contribution or contributions in excess of two thousand dollars to
977 another political committee in any calendar year. No political
978 committee organized for ongoing political activities shall make a
979 contribution in excess of three hundred seventy-five dollars to an
980 exploratory committee. If such an ongoing committee is established by
981 an organization or a business entity, its contributions shall be subject to
982 the limits imposed by sections 9-613 to 9-615, inclusive, as amended by
983 this act. A political committee organized for ongoing political activities
984 may make [contributions] donations to a charitable organization which
985 is a tax-exempt organization under Section 501(c)(3) of the Internal
986 Revenue Code, as from time to time amended, or make memorial
987 [contributions] donations. No independent expenditure political
988 committee organized for ongoing political activities may make any
989 contribution, unless the recipient of such contribution is another
990 independent expenditure political committee.

991 Sec. 18. Subsection (a) of section 9-619 of the general statutes is
992 repealed and the following is substituted in lieu thereof (*Effective from*
993 *passage*):

994 (a) No political committee established for a single primary or
995 election shall make contributions to a national committee, or a
996 committee of a candidate for federal or out-of-state office. If such a
997 political committee is established by an organization or a business
998 entity, its contributions shall also be subject to the limitations imposed
999 by sections 9-613 to 9-615, inclusive, as amended by this act. Except as

1000 provided in subdivision (2) of subsection (d) of this section, no political
1001 committee formed for a single election or primary shall, with respect to
1002 such election or primary make a contribution or contributions in excess
1003 of two thousand dollars to another political committee, provided no
1004 such political committee shall make a contribution in excess of three
1005 hundred seventy-five dollars to an exploratory committee. No
1006 independent expenditure political committee established for a single
1007 primary or election may make any contribution, unless the recipient of
1008 such contribution is another independent expenditure political
1009 committee.

1010 Sec. 19. Subsection (j) of section 9-621 of the general statutes is
1011 repealed and the following is substituted in lieu thereof (*Effective from*
1012 *passage*):

1013 (j) [(1) Except as provided in subdivisions (2) and (3) of this
1014 subsection, if] If any person whose name is included on a disclaimer of
1015 a communication pursuant to the provisions of this section, as a person
1016 who made a covered transfer to the maker of the communication, is
1017 also a recipient of a covered transfer, the maker of the communication,
1018 as part of any report filed pursuant to section 9-601d, as amended by
1019 this act, or 9-608, as amended by this act, associated with the making of
1020 such communication, shall include the names of the five persons who
1021 made the top five largest aggregate covered transfers to such recipient
1022 during the twelve-month period [immediately prior to the primary or
1023 election, as applicable] prior to the covered transfer to the recipient
1024 and the amount of such covered transfer.

1025 [(2) The name of any person who made a covered transfer to a tax-
1026 exempt organization recognized under Section 501(c)(4) of the Internal
1027 Revenue Code of 1986, or any subsequent corresponding internal
1028 revenue code of the United States, as amended from time to time, that
1029 has not had its tax exempt status revoked, shall not be disclosed
1030 pursuant to the provisions of subdivision (1) of this subsection.

1031 (3) The name of any person who made a covered transfer to a
1032 person whose name is included on a disclaimer pursuant to the

1033 provisions of this section shall not be disclosed pursuant to the
1034 provisions of subdivision (1) of this subsection if the recipient of such
1035 covered transfer accepts covered transfers from at least one hundred
1036 different sources, provided no such source accounts for ten per cent or
1037 more of the total amount of covered transfers accepted by the recipient
1038 during the twelve-month period immediately prior to the primary or
1039 election, as applicable.]

1040 Sec. 20. Subsection (a) of section 9-703 of the general statutes is
1041 repealed and the following is substituted in lieu thereof (*Effective from*
1042 *passage*):

1043 (a) Each candidate for nomination or election to the office of state
1044 senator or state representative in 2008, or thereafter, or the office of
1045 Governor, Lieutenant Governor, Attorney General, State Comptroller,
1046 Secretary of the State or State Treasurer in 2010, or thereafter, shall file
1047 an affidavit with the State Elections Enforcement Commission. The
1048 affidavit shall include a written certification that the candidate either
1049 intends to abide by the expenditure limits under the Citizens' Election
1050 Program set forth in subsection (c) of section 9-702, or does not intend
1051 to abide by said limits. If the candidate intends to abide by said limits,
1052 the affidavit shall also include written certifications (1) that the
1053 treasurer of the candidate committee for said candidate shall expend
1054 any moneys received from the Citizens' Election Fund in accordance
1055 with the provisions of subsection (g) of section 9-607, as amended by
1056 this act, and regulations adopted by the State Elections Enforcement
1057 Commission under subsection (e) of section 9-706, (2) that the
1058 candidate shall repay to the fund any such moneys that are not
1059 expended in accordance with subsection (g) of section 9-607, as
1060 amended by this act, and said regulations, (3) that the candidate and
1061 the treasurer shall comply with the provisions of subdivision (1) of
1062 subsection (a) of section 9-711, and (4) stating the candidate's status as
1063 a major party, minor party or petitioning party candidate and, in the
1064 case of a major party or minor party candidate, the name of such party.
1065 The written certification described in subdivision (3) of this subsection
1066 shall be made by both the candidate and the treasurer of the candidate

1067 committee for said candidate. A candidate for nomination or election
1068 to any such office shall file such affidavit not later than four o'clock
1069 p.m. on the twenty-fifth day before the day of a primary, if applicable,
1070 or on the [fortieth day before the day of the election for such office]
1071 tenth day after the primary in the year in which the election for such
1072 office is held, except that in the case of a special election for the office
1073 of state senator or state representative, the candidate shall file such
1074 affidavit not later than four o'clock p.m. on the twenty-fifth day before
1075 the day of such special election. Notwithstanding the provisions of this
1076 subsection, a candidate who is not required to form a candidate
1077 committee pursuant to subdivision (3) or (4) of subsection (b) of
1078 section 9-604, files a certification with the commission pursuant to
1079 subsection (c) of section 9-603 and does not intend to participate in the
1080 Citizens' Election Program shall not be required to file such affidavit of
1081 intent not to abide by the expenditure limits of said program. Any
1082 such candidate shall be referred to as a nonparticipating candidate, in
1083 accordance with subsection (b) of this section.

1084 Sec. 21. Section 9-452 of the general statutes is repealed and the
1085 following is substituted in lieu thereof (*Effective from passage*):

1086 All minor parties nominating candidates for any elective office shall
1087 make such nominations and certify and file a list of such nominations,
1088 as required by this section, not later than [the sixty-second day prior to
1089 the day of the election at which such candidates are to be voted for]
1090 four o'clock p.m. on the tenth day after the primary in the year in
1091 which the election for such office is held. A list of nominees in printed
1092 or typewritten form that includes each candidate's name as authorized
1093 by each candidate to appear on the ballot, the signature of each
1094 candidate, the full street address of each candidate and the title and
1095 district of the office for which each candidate is nominated shall be
1096 certified by the presiding officer of the committee, meeting or other
1097 authority making such nomination and shall be filed by such presiding
1098 officer with the Secretary of the State, in the case of state or district
1099 office or the municipal office of state representative, state senator or
1100 judge of probate, or with the clerk of the municipality, in the case of

1101 municipal office, not later than the sixty-second day prior to the day of
1102 the election. The registrars of voters of such municipality shall
1103 promptly verify and correct the names on any such list filed with him,
1104 or the names of nominees forwarded to the clerk of the municipality
1105 by the Secretary of the State, in accordance with the registry list of such
1106 municipality and endorse the same as having been so verified and
1107 corrected. For purposes of this section, a list of nominations shall be
1108 deemed to be filed when it is received by the Secretary or clerk, as
1109 appropriate.

1110 Sec. 22. Subsection (a) of section 9-453i of the general statutes is
1111 repealed and the following is substituted in lieu thereof (*Effective from*
1112 *passage*):

1113 (a) Each page of a nominating petition proposing a candidate for an
1114 office to be filled at a regular election shall be submitted to the
1115 appropriate town clerk or to the Secretary of the State not later than
1116 four o'clock p.m. on the [ninetieth day preceding the day of the regular
1117 election] tenth day after the primary in the year in which the election
1118 for such office is held.

1119 Sec. 23. Subsection (d) of section 9-705 of the general statutes is
1120 repealed and the following is substituted in lieu thereof (*Effective from*
1121 *passage*):

1122 (d) [For] (1) Except as provided in subdivision (2) of this subsection,
1123 for elections held in 2014, and thereafter, the amount of the grants in
1124 subsections (a), (b) and (c) of this section shall be adjusted by the State
1125 Elections Enforcement Commission not later than January 15, 2014,
1126 and quadrennially thereafter, in accordance with any change in the
1127 consumer price index for all urban consumers as published by the
1128 United States Department of Labor, Bureau of Labor Statistics, during
1129 the period beginning on January 1, 2010, and ending on December
1130 thirty-first in the year preceding the year in which said adjustment is
1131 to be made.

1132 (2) The amount of the grants in subsections (a), (b) and (c) of this

1133 section, as adjusted by the State Elections Enforcement Commission as
1134 of January 15, 2014, shall not be further adjusted by said commission
1135 until January 15, 2018.

1136 Sec. 24. Subsection (h) of section 9-705 of the general statutes is
1137 repealed and the following is substituted in lieu thereof (*Effective from*
1138 *passage*):

1139 (h) [For] (1) Except as provided in subdivision (2) of this subsection,
1140 for elections held in 2010, and thereafter, the amount of the grants in
1141 subsections (e), (f) and (g) of this section shall be adjusted by the State
1142 Elections Enforcement Commission not later than January 15, 2010,
1143 and biennially thereafter, in accordance with any change in the
1144 consumer price index for all urban consumers as published by the
1145 United States Department of Labor, Bureau of Labor Statistics, during
1146 the period beginning on January 1, 2008, and ending on December
1147 thirty-first in the year preceding the year in which said adjustment is
1148 to be made.

1149 (2) The amount of the grants in subsections (e), (f) and (g) of this
1150 section, as adjusted by the State Elections Enforcement Commission as
1151 of January 15, 2014, shall not be further adjusted by said commission
1152 until January 15, 2018.

1153 Sec. 25. Subsection (j) of section 9-705 of the general statutes is
1154 repealed and the following is substituted in lieu thereof (*Effective from*
1155 *passage*):

1156 (j) Notwithstanding the provisions of subsections (a) to (i), inclusive,
1157 of this section:

1158 (1) The initial grant that a qualified candidate committee for a
1159 candidate is eligible to receive under subsections (a) to (i), inclusive, of
1160 this section shall be reduced by the amount of any personal funds that
1161 the candidate provides for the candidate's campaign for nomination or
1162 election pursuant to subsection (c) of section 9-710;

1163 (2) If a participating candidate is nominated at a primary and does

1164 not expend the entire grant for the primary campaign authorized
1165 under subsection (a), (b), (e) or (f) of this section, the amount of the
1166 grant for the general election campaign shall be reduced by the total
1167 amount of any such unexpended primary campaign grant and
1168 moneys;

1169 (3) If a participating candidate who is nominated for election does
1170 not have any opponent in the general election campaign, the amount
1171 of the general election campaign grant for which the qualified
1172 candidate committee for said candidate shall be eligible shall be
1173 [thirty] twenty per cent of the applicable amount set forth in
1174 subsections (a) to (i), inclusive, of this section. For purposes of this
1175 subdivision, a participating candidate shall be deemed to have an
1176 opponent if (A) a major party has properly endorsed any other
1177 candidate and made the requisite filing with the Secretary of the State
1178 within the time specified in section 9-391 or 9-400, as applicable, (B)
1179 any candidate of any other major party has received not less than
1180 fifteen per cent of the vote of convention delegates and has complied
1181 with the filing requirements set forth in section 9-400, or (C) any
1182 candidate of any other major party has circulated a petition and
1183 obtained the required number of signatures for filing a candidacy for
1184 nomination and has either qualified for the primary or been deemed
1185 the party's nominee;

1186 (4) If the only opponent or opponents of a participating candidate
1187 who is nominated for election to an office are eligible minor party
1188 candidates or eligible petitioning party candidates and no such eligible
1189 minor party candidate's or eligible petitioning party candidate's
1190 candidate committee has received a total amount of contributions of
1191 any type that is equal to or greater than the amount of the qualifying
1192 contributions that a candidate for such office is required to receive
1193 under section 9-704 to be eligible for grants from the Citizens' Election
1194 Fund, the amount of the general election campaign grant for such
1195 participating candidate shall be sixty per cent of the applicable amount
1196 set forth in this section; and

1197 (5) The amount of the primary grant or general election campaign
1198 grant for a qualified candidate committee shall be reduced, pursuant to
1199 the provisions of this subdivision, if such candidate committee has
1200 control and custody over lawn signs from any prior election or
1201 primary in the following applicable amount: (A) Five hundred or more
1202 lawn signs for the qualified candidate committee of a candidate for the
1203 office of Governor, Lieutenant Governor, Attorney General, State
1204 Comptroller, Secretary of the State or State Treasurer, (B) one hundred
1205 or more lawn signs for the qualified candidate committee of a
1206 candidate for the office of state senator, or (C) fifty or more lawn signs
1207 for the qualified candidate committee of a candidate for the office of
1208 state representative. If such qualified candidate committee has custody
1209 and control over lawn signs in the applicable amount, as described in
1210 this subdivision, the grant from the fund for the primary campaign or
1211 general election campaign, as applicable, for such qualified candidate
1212 committee shall be reduced as follows: (i) Two thousand five hundred
1213 dollars for the qualified candidate committee of a candidate for the
1214 office of Governor, Lieutenant Governor, Attorney General, State
1215 Comptroller, Secretary of the State or State Treasurer, (ii) five hundred
1216 dollars for the qualified candidate committee of a candidate for the
1217 office of state senator, or (iii) two hundred fifty dollars for the qualified
1218 candidate committee of a candidate for the office of state
1219 representative. In no event shall such a reduction be made both to a
1220 qualified candidate committee's primary campaign grant and to such
1221 candidate committee's general election grant. No reduction in either
1222 the primary campaign or general election campaign for a qualified
1223 candidate committee's grant shall be taken for any lawn sign that is not
1224 in the custody or control of the qualified candidate committee.
1225 Nothing in this subdivision shall be construed to apply to any item
1226 other than lawn signs.

1227 Sec. 26. Section 9-718 of the general statutes is repealed and the
1228 following is substituted in lieu thereof (*Effective from passage*):

1229 (a) Notwithstanding any provision of the general statutes and
1230 except as provided in subsection (e) of this section, no town committee,

1231 legislative caucus committee or legislative leadership committee shall
1232 make [an] organization [expenditure] expenditures for the benefit of a
1233 participating candidate or the candidate committee of a participating
1234 candidate in the Citizens' Election Program for the office of state
1235 senator in an amount that exceeds ten thousand dollars, in the
1236 aggregate, for the general election campaign.

1237 (b) Notwithstanding any provision of the general statutes, no party
1238 committee, legislative caucus committee or legislative leadership
1239 committee shall make [an] any organization expenditure for the
1240 purposes described in subparagraph (A) of subdivision (25) of section
1241 9-601 for the benefit of a participating candidate or the candidate
1242 committee of a participating candidate in the Citizens' Election
1243 Program for the office of state senator for the primary campaign.

1244 (c) Notwithstanding any provision of the general statutes and
1245 except as provided in subsection (e) of this section, no town committee,
1246 legislative caucus committee or legislative leadership committee shall
1247 make [an] organization [expenditure] expenditures for the benefit of a
1248 participating candidate or the candidate committee of a participating
1249 candidate in the Citizens' Election Program for the office of state
1250 representative in an amount that exceeds three thousand five hundred
1251 dollars, in the aggregate, for the general election campaign.

1252 (d) Notwithstanding any provision of the general statutes, no party
1253 committee, legislative caucus committee or legislative leadership
1254 committee shall make [an] any organization expenditure for the
1255 purposes described in subparagraph (A) of subdivision (25) of section
1256 9-601 for the benefit of a participating candidate or the candidate
1257 committee of a participating candidate in the Citizens' Election
1258 Program for the office of state representative for the primary
1259 campaign.

1260 (e) For any election held in 2014, and thereafter, the amount of the
1261 limitations on organization expenditures provided in subsections (a)
1262 and (c) of this section shall be adjusted by the State Elections
1263 Enforcement Commission not later than January 15, 2014, and

1264 biennially thereafter, in accordance with any change in the consumer
 1265 price index for all urban consumers as published by the United States
 1266 Department of Labor, Bureau of Labor Statistics, during the period
 1267 beginning on January 1, 2010, and ending on December thirty-first in
 1268 the year preceding the year in which said adjustment is to be made.

1269 (f) Notwithstanding any provision of the general statutes, no state
 1270 central committee shall make organization expenditures for the benefit
 1271 of a participating candidate or the candidate committee of a
 1272 participating candidate in the Citizens' Election Program for the office
 1273 of state senator or state representative in an amount that exceeds two
 1274 hundred fifty thousand dollars, in the aggregate, for the general
 1275 election campaign.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	9-601(3)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	9-601a(a)
Sec. 4	<i>from passage</i>	9-601b(a) and (b)
Sec. 5	<i>from passage</i>	9-601c
Sec. 6	<i>from passage</i>	9-601d
Sec. 7	<i>from passage</i>	9-603(a) and (b)
Sec. 8	<i>from passage</i>	9-605(b) to (d)
Sec. 9	<i>from passage</i>	9-607(g)(1)
Sec. 10	<i>from passage</i>	9-608(c)(1)
Sec. 11	<i>from passage</i>	9-611
Sec. 12	<i>from passage</i>	9-612(a)
Sec. 13	<i>from passage</i>	9-613
Sec. 14	<i>from passage</i>	9-614
Sec. 15	<i>from passage</i>	9-615
Sec. 16	<i>from passage</i>	9-617(b) and (c)
Sec. 17	<i>from passage</i>	9-618(a)
Sec. 18	<i>from passage</i>	9-619(a)
Sec. 19	<i>from passage</i>	9-621(j)
Sec. 20	<i>from passage</i>	9-703(a)
Sec. 21	<i>from passage</i>	9-452
Sec. 22	<i>from passage</i>	9-453i(a)

Sec. 23	<i>from passage</i>	9-705(d)
Sec. 24	<i>from passage</i>	9-705(h)
Sec. 25	<i>from passage</i>	9-705(j)
Sec. 26	<i>from passage</i>	9-718

Statement of Legislative Commissioners:

In Section 5(c)(4)(C), "or" was substituted for both instances of "and", "spouse" was substituted for "spouses" and "child, parent, grandparent, brother, half-brother, sister or half-sister" was substituted for "persons" for clarity; in Section 5(d)(2), "an expenditure" was substituted for "a payment" for consistency; in Section 5(e), "described in" was substituted for "covered under" for consistency; in Section 6(b), "on or after" was struck from "period beginning on or after July first" for accuracy; in Section 6(c), "primary or election or referendum question" was changed to "primary, [or] election or referendum" for clarity and accuracy; in Section 8(d), "provided" was struck and the brackets around "if" were removed for statutory consistency and "a group that formed an" was inserted before "independent expenditure political committee" for consistency; and in Section 9(g)(1)(A)(ii), "other than an independent expenditure political committee" was inserted after "political committee" for clarity and accuracy.

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Resources of the Citizen's Election Fund	CEF - Savings	None	Less than \$250,000

Note: CEF=Citizens Election Fund

Municipal Impact: None**Explanation**

The bill modifies certain requirements for campaign expenditure reporting, establishes limits on certain types of expenditures, and modifies certain grant adjustments in the Citizens Election Fund.

The provisions which temporarily eliminate inflation adjustments to grants and reduce grants to unopposed candidates are anticipated to result in a savings to the resources of the Citizens Election Fund of less than \$250,000 in FY 17 (for the 2016 election cycle).

The Out Years

There is no fiscal impact in the out years as the bill allows for inflation adjustments to Citizens' Election Program grants for the 2018 elections and thereafter.

OLR Bill Analysis**sSB 1126*****AN ACT CONCERNING REVISIONS TO CAMPAIGN FINANCE LAWS.*****SUMMARY:**

This bill modifies laws affecting elections, campaign finance, the Citizens' Election Program (CEP), and the State Elections Enforcement Commission (SEEC). Among other things, the bill:

1. expands the contribution and expenditure exemptions for certain communications;
2. eliminates aggregate individual contribution limits;
3. creates a category of spenders called "coordinated spenders" and defines their expenditures as contributions subject to campaign finance reporting and limits;
4. codifies "independent expenditure political committees" as a type of PAC and requires them to register with SEEC;
5. expands certain independent expenditure (IE) reporting requirements and changes others, including for political committees established by an individual acting as an agent for another person (known as Affiliated PACs);
6. expands certain covered transfer disclosure requirements;
7. potentially increases maximum penalties for failing to file IE reports;
8. establishes a uniform deadline for certifying minor party nominations, submitting nominating petitions, and filing affidavits of intent under the CEP for candidates not in a

primary;

9. reduces CEP grants, from 30% to 20% of a full grant, for eligible participating candidates who are unopposed in the general election;
10. freezes inflationary CEP grant adjustments until January 2018; and
11. establishes a limit of \$250,000 on organization expenditures made by state central committees to benefit the general election campaign of a legislative candidate participating in the CEP.

The bill also makes minor and technical changes.

EFFECTIVE DATE: Upon passage

§§ 3 & 4 & 11—CONTRIBUTIONS AND EXPENDITURES

Definitions

Current law defines “contribution,” in part, as anything of value made to promote the success or defeat of any candidate seeking nomination or election.

The bill (1) expands the definition to cover persons, not only candidates, seeking nomination or election and (2) makes the same change to the parallel definition of expenditure. It thus covers contributions and expenditures made to benefit or oppose people who are not officially candidates.

The law further defines contribution and expenditure, in part, as any communication that refers to one or more clearly identified candidates and (1) is broadcast by radio, television (other than a public access channel), satellite communication, via the Internet, or as a paid-for telephone communication; (2) appears in a newspaper, magazine, or on a billboard; or (3) is sent by mail.

Under current law, such a communication is not considered a contribution or expenditure if it is made more than 90 days before the

primary or election and for the purpose of influencing legislative or administrative action, as defined by the Ethics Code, or executive action.

The bill (1) extends the exemption to include all communications made more than 90 days before the primary or election and (2) exempts communications that constitute candidate debates, or that solely promote debates, and that are made by or on behalf of the debate sponsor.

Aggregate Limit for Individuals

Current law prohibits an individual from contributing more than \$30,000 in the aggregate during a single primary and election to (1) candidate committees; (2) exploratory committees; and (3) slate PACs for justice of the peace (in a primary). The bill removes this limit, thus allowing individuals to make unlimited aggregate contributions to these committees (see BACKGROUND).

§ 5—INDEPENDENT AND COORDINATED EXPENDITURES

The law authorizes persons (including individuals, entities, and committees) to make unlimited IEs and defines “independent expenditure” as an expenditure that is made without the consent, coordination, or consultation of a (1) candidate or candidate's agent, (2) candidate committee, (3) PAC, or (4) party committee. It creates a rebuttable presumption that certain expenditures are not IEs, and thus are coordinated and considered contributions for campaign finance purposes.

The bill:

1. creates a new category of spenders called “coordinated spenders;”
2. establishes their relationship to candidates and candidate committees;
3. specifies that their expenditures are coordinated, not

independent, and thus are contributions subject to campaign finance limits; and

4. modifies the rebuttable presumption.

The bill specifies that a “candidate” with respect to independent expenditures and coordinated spenders includes any person who later becomes a candidate who benefits from (1) an expenditure made by a coordinated spender or (2) other coordinated spending.

By law, “person” means an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company, or any other legal entity of any kind. It does not mean the state or any of its political or administrative subdivisions.

Coordinated Spenders

Under the bill, expenditures by coordinated spenders are deemed to be made with the candidate’s or candidate committee’s consent, coordination, or consultation, or at its request or suggestion. Unlike existing law, which creates a rebuttable presumption that certain expenditures are not IEs, coordinated spenders’ expenditures are by definition not IEs. Since, by law, expenditures that are not IEs are contributions, coordinated spenders’ expenditures are considered contributions.

Under the bill, a “coordinated spender,” with respect to a candidate or candidate committee, is:

1. a person directly or indirectly formed, controlled, or established in the current election cycle by, at the request or suggestion of, or with the encouragement of, the candidate or his or her candidate committee or agent, including with the candidate’s, candidate committee’s, or agent’s express or tacit approval;
2. a person established, directed, or managed by a person who, during the current election cycle (a) was employed or retained as

- a political, media, or fundraising advisor or consultant for the candidate, his or her candidate committee, or any entity directly or indirectly controlled by the candidate or committee, or (b) held a formal position, with a title, for the candidate or his or her committee;
3. a person that is established, directed, or managed by a member of the candidate's family;
 4. a person, or officer or agent of the person, that has had more than incidental discussion with a member of the candidate's family about the candidate's or his or her committee's campaign advertising, message, strategy, policy, polling, resource allocation, or fundraising or campaign operations;
 5. an IE-only PAC that has received contributions exceeding \$2,000, in the aggregate, in an election cycle from a family member of the candidate; or
 6. with one exception, a person on whose behalf the candidate, his or her candidate committee, or agent, during an election cycle, solicits funds or engages in fundraising activity, including providing donor or other lists to assist with fundraising activity, regardless of whether the person pays fair market value for the information.

The bill creates an exception under the last type of coordinated spender. Under the exception, a person is not considered a coordinated spender if funds that the candidate or his or her candidate committee or agent raises for the person are:

1. segregated from other accounts controlled by the person and
2. not used to make (a) IEs benefitting the candidate or his or her committee or (b) contributions or covered transfers to any other person who later makes IEs, contributions, or covered transfers benefitting the candidate or his or her committee.

The bill defines “member of the family” as the candidate’s spouse, child, grandparent, brother, half-brother, sister, or half-sister, or the spouse of any of these.

Rebuttable Presumptions

The law creates a rebuttable presumption that certain expenditures are not IEs, and thus are coordinated and considered contributions for campaign finance purposes. The bill expands one type of expenditure under the rebuttable presumption and partially expands and partially narrows two others, as shown in Table 1.

Table 1: Expenditures Not Considered IEs Under The Rebuttable Presumption

Current Law	Bill
Expenditures made by an individual who, in the same election cycle, is serving or has served (a) as the campaign chairperson, treasurer, or deputy treasurer of a candidate committee, PAC, or party committee benefiting from the expenditure, or (b) in any other executive or policymaking position, including as a member, employee, fundraiser, consultant, or other agent, of a candidate committee, PAC, or party committee	Adds expenditures by an individual who served as an employee, fundraiser, consultant, or other agent of a candidate
Expenditures made by a person for the production, dissemination, distribution, or publication, in whole or substantial part, of any broadcast or written, graphic, or other form of political advertising or campaign communication prepared by (1) a candidate, candidate committee, PAC, or party committee or (2) a consultant or other agent acting on behalf of a candidate, candidate committee, PAC, or party committee	(1) Adds video and audio political advertising or campaign communications and (2) specifies that the advertising or communication must be used in support of the candidate or committee or in opposition to any candidate
Expenditures made by a person or an entity, on or after January 1st in an election year, that benefit a candidate when (1) the person or entity has hired an individual as an employee or consultant and (2) such individual was an employee of, or consultant to, the candidate's committee or that of his or her opponent during any part of the 18-month period preceding the expenditure	Specifies that the (1) provision also applies to individuals who were employees of, or consultants to, the candidate and (2) applicable time period covers the current election cycle, rather than the 18-month period preceding the expenditure

Additionally, the bill eliminates a prohibition on SEEC presuming that certain activities constitute evidence of consent, coordination, or consultation. Generally, they are:

1. participation by a candidate or his or her agent in an event that an entity sponsors;

2. membership of the candidate or his or her agent in the entity;
and
3. financial support for, or solicitation or fundraising on behalf of,
the entity by a candidate or his or her agent.

§§ 1-2, 8-10, 12-18 — IE-ONLY PACS

The bill codifies “independent expenditure political committees” (known as IE-Only PACs) as a type of PAC under Connecticut’s campaign finance laws and, like other committees that make IEs, requires their registration with SEEC. It defines them as PACs that (1) make IEs and (2) are prohibited from making contributions, other than unlimited contributions to other IE-Only PACs.

The bill authorizes individuals, businesses, labor unions, and party committees to make unlimited contributions to IE-Only PACs. By law, these persons may also make IEs (see BACKGROUND).

§ 9 — Lawful Purposes

The bill defines “lawful purposes of the committee” for IE-Only PACs as promoting (1) a political party, (2) the success or defeat of a candidate for nomination or election, or (3) the success or defeat of a referendum question. It requires these committees to act entirely independently of any candidate or agent of a candidate, candidate committee, PAC, or party committee.

§ 8 — Registration

The bill requires a group of two or more individuals who join to form an IE-Only PAC to register with SEEC if the group makes or incurs expenditures exceeding \$1,000, in the aggregate. Under the bill, IE-Only PACs must register within 10 days after reaching the \$1,000 expenditure threshold.

§ 10 — Periodic Campaign Finance Statements

By law, candidate committees, PACs, and party committees must file periodic campaign finance statements with SEEC according to

specified schedules. The statements must include, among other things, an itemized accounting of each contribution the committees and PACs receive.

The bill requires IE-Only PACs to include the name of any person that makes a covered transfer to one of its contributors if the covered transfer (1) equals \$25,000 or more, in the aggregate and (2) occurs during the 12-month period before the primary or general election, whichever applies.

By law, a “covered transfer” is, with certain exceptions, any donation, transfer, or payment of funds by a person to a recipient that (1) makes IEs or (2) transfers funds to another person who makes IEs.

§§ 6, 7, & 19 — IE REPORTING REQUIREMENTS

The law requires a person that makes IEs to disclose information about the IEs to SEEC. Under current law, a person must file a long-form report, as well as a short-form report, after first making or obligating to make an IE during a primary or general election campaign that (1) promotes the success or defeat of a statewide office or legislative candidate and (2) exceeds \$1,000 in the aggregate. For any subsequent IE, a person must file only the short-form report. Both reports must be filed with SEEC electronically within 24 hours after making or obligating to make an IE.

The bill instead applies these requirements to IEs made on or after July 1 in a regular election year through the day following the primary or general election for which the IE is made or incurred.

The bill adds to the required contents of the long- and short-forms. Specifically, it requires the long-form report to also identify (1) for the person making or obligating to make the IE, the Federal Employee Identification Number and Federal Election Commission Identification Number, if applicable, and (2) for a referendum, its date, the question’s text, and whether the IE supported or opposed it. The short-form report must also identify (1) for a referendum, its date and the question’s text and (2) any other information SEEC requires to facilitate

compliance with state campaign finance laws.

The bill also specifies that reports of any IEs not subject to the long- and short-form requirements must be filed according to the same schedule as the periodic statements filed by PACs, rather than the same schedule of statements filed by candidate committees.

Disclosing Covered Transfers

As part of both the long- and short-form reports, the law requires a person to disclose the source and amount of any covered transfer of \$5,000 or more, in the aggregate, it received during the 12 months before the applicable primary or election if the IE (for which the report is being filed) is made or obligated to be made 180 or less days before the primary or election.

The bill extends the requirement to all covered transfers meeting these criteria, not only those intended to promote or oppose a candidate for statewide or legislative office as under current law. It thus applies to covered transfers made to promote or oppose referenda.

The law exempts from this disclosure requirement a person that discloses the source and amount of a covered transfer in a report it files with the Federal Election Commission (FEC) or Internal Revenue Service (IRS), provided the person includes a copy of such report in the report it files with SEEC. The bill extends the exemption to people that include in their IE reports information sufficient for SEEC to find their FEC or IRS report.

Top Five Transferors. By law, printed, video, and audio political advertisements must include certain attributions, known as “disclaimers.” Under current law, a person that makes an IE (“IE maker”) during the 90 days before a primary or general election must, among other things, list the names of the five persons that made covered transfers, in the five largest aggregate amounts, during the 12 months immediately preceding the applicable primary or election. If a person listed as a “top five transferor” is also a recipient of a covered

transfer (“recipient transferor”), the IE maker must disclose in its reports to SEEC the names of the top five transferors to that recipient transferor.

The bill redefines “top five transferors,” with respect to these recipient transferors as the five persons that made the five largest aggregate covered transfers to the recipient transferor during the 12 months before “the covered transfer” to the recipient transferor. Under current law, the period covers the 12 months immediately preceding the applicable primary or election. It is unclear under the bill which covered transfer would trigger the 12-month period.

The bill eliminates provisions in current law prohibiting disclaimers from listing certain persons that make covered transfers. Specifically, current law prohibits disclosing the name of any person that made a covered transfer to a 501(c)(4) organization if the organization is a top five transferor. Under federal law, these organizations are not required to publicly disclose their donors.

Current law also prohibits disclosing the name of any person that made a covered transfer to a top five transferor listed on a disclaimer if the recipient accepts covered transfers from at least 100 different sources. The prohibition applies if no such source accounts for 10% or more of the covered transfers accepted by the recipient during the 12 months immediately preceding the applicable primary or election.

Penalties for Failure to File an IE Report

By law, persons that make or obligate to make IEs exceeding \$1,000 in the aggregate during a primary or general election campaign must file IE reports with SEEC. For an IE made or obligated to be made 90 days or fewer before a primary or general election, the bill potentially increases the maximum (1) civil penalties SEEC may impose for failure to file the required IE report and (2) fine SEEC or a court may impose for a knowing and willful failure to file.

Specifically, under current law, SEEC may impose a maximum penalty of \$20,000 for failure to file 90 days or less before a primary or

general election. The bill instead allows SEEC to impose a penalty of up to \$20,000 or twice the amount of any unreported expenditure, whichever is greater.

Currently, a knowing and willful failure to file an IE report is a crime punishable by up to \$50,000. Under the bill, violators may be fined up to \$50,000 or 10 times the amount of any unreported expenditure, whichever is greater. By law, (1) SEEC may refer the matter to the chief state's attorney and (2) any knowing and willful violation of Chapter 155 of the General Statutes (i.e., campaign finance, other than the CEP) is a class D felony punishable by up to five years in prison, a fine of up to \$5,000, or both.

§ 8 – AFFILIATED PACS

By law, most PACs must register with SEEC, and the registration statement must include, among other things, the name of the committee and its purpose. The bill requires PACs established by an individual acting as an agent for another person (known as Affiliated PACs) to additionally include (1) the name of the person for whom the agent is acting and (2) if the PACs filed a report with the Federal Election Commission or other out-of-state agency, a statement to that effect and indicating the agency name.

§§ 20-22—CANDIDATE DEADLINES

The bill changes certain deadlines associated with (1) minor party nominations and certifications, (2) nominating petitions, and (3) affidavits of intent to participate or not participate in the CEP (see BACKGROUND).

Specifically, the bill moves the deadline for:

1. certifying minor party nominations, from the 62nd day before the election to the 10th day after the primary (e.g., from September 3 to August 22, 2014);
2. submitting nominating petitions, from the 90th day before the election to the 10th day after the primary (e.g., from August 6 to

August 22, 2014); and

3. filing affidavits of intent under the CEP for candidates not in a primary, from the 40th day before the election to the 10th day after the primary (e.g., September 25 to August 22, 2014).

By law, minor party nomination certificates and CEP affidavits are due by 4:00 p.m. on the day of the deadline. The bill establishes the same requirement for nominating petitions.

§§ 23-26—CITIZENS' ELECTION PROGRAM

§ 25 – Grants to Unopposed Candidates

The bill reduces the grant amount for eligible participating candidates who are unopposed in the general election. Under current law, the grant is equal to 30% of the full amount, while under the bill, it is equal to 20% of the full amount.

In the 2014 general election, for example, the full grants for major party candidates for state senator and state representative were \$94,690 and \$27,850, respectively. The unopposed grants for these candidates were \$28,407 and \$8,355, respectively. Under the bill, the unopposed grants would have been \$18,938 and \$5,570, respectively.

§§ 23 & 24 — Grant Adjustments for Inflation

By law, SEEC must adjust CEP grant amounts for inflation before each legislative or statewide election. The bill freezes, until January 15, 2018, inflation adjustments to CEP grants for legislative candidates. SEEC last adjusted these grants in January 2014.

§ 26—Organization Expenditures

By law, organization expenditures are made by legislative caucus, legislative leadership, or party committees for the benefit of candidates or their committees. They are not considered campaign contributions, but the law places restrictions on those made to benefit legislative candidates participating in the CEP. For example, the maximum amount that a town committee or legislative caucus or leadership committee may spend on organization expenditures made to benefit

the general election campaign of a CEP candidate for state senator or state representative is \$10,000 or \$3,500, respectively.

The bill establishes limits on organization expenditures made by state central committees to benefit the general election campaign of a participating legislative candidate participating in the CEP. Under the bill, the limit is \$250,000 for a candidate for state senator and state representative.

BACKGROUND

CEP Affidavits of Intent

With one exception, the law requires candidates to file an Affidavit of Intent to Abide or an Affidavit of Intent Not to Abide by the CEP's spending limits. Candidates do not have to file an affidavit if they will not receive or spend more than \$1,000 from outside sources. These candidates are considered "nonparticipating candidates."

Candidates who intend to participate must file the Affidavit of Intent to Abide only once, at which point they are considered "participating candidates." Those who file before a primary and win the party endorsement are not required to re-file before the general election. The affidavit must include certain certifications from the candidate and his or her treasurer.

Aggregate Contribution Limits

In *McCutcheon et al. v. Federal Election Commission*, 134 S.Ct. 1434 (2014), the U.S. Supreme Court held that aggregate limits on contributions by individuals to federal candidates, political parties, and PACs were unconstitutional under the First Amendment.

In Advisory Opinion 2014-03, SEEC announced that, unless it received further guidance from the legislature or a court of competent jurisdiction, it would no longer enforce current law's \$30,000 aggregate limit on contributions by individuals during a single primary and election to (1) candidate committees, (2) exploratory committees, and (3) slate PACs for justice of the peace (in a primary).

IE-Only PACs

In Declaratory Ruling 2013-02, SEEC ruled that, in light of a line of cases ruling that contribution limits to IE-Only PACs are unconstitutional, it would no longer enforce contribution limits to PACs that receive and spend funds only for IEs, unless it received further guidance from the legislature or a court of competent jurisdiction.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 9 Nay 6 (03/30/2015)